

California Contractors License Law & Reference Book

2003 Edition



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LICENSE BOARD

STATE OF CALIFORNIA
Gray Davis, Governor

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Mail order: Department of General Services, Office of Procurement, P.O. Box 1015, North Highlands, CA 95660. When ordering by mail, send a check or money order payable to *Procurement-Publications*, and include a street address and the recipient's name. *All orders are shipped by UPS and cannot be delivered to a post office box.*

The *California Contractors License Law and Reference Book* is not sold at any office of the Contractors State License Board. Copies may be available from specialty book stores—check your local telephone directory.

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ABOUT THIS BOOK

The *California License Law & Reference Book, 2003 Edition*, begins with several narrative chapters that describe many of the legal requirements affecting contractors. These narrative chapters contain references to laws, rules and regulations included in the later chapters.

Extracts from laws related to CSLB laws and regulations are now presented in the Appendix.

The laws and regulations contained in this book are those in effect on January 1, 2003.

SUMMARY OF MAJOR CHANGES TO CONTRACTOR LAW EFFECTIVE JANUARY 1, 2003

Business & Professions Code

7000.5 Extends the Board's sunset date to January 1, 2008.

7000.6. Clarifies that the Board's legal mandate gives highest priority to public protection.

7019. Clarifies that the Board may contract with licensed professionals whose skills and expertise are needed for complex investigations.

7065. Clarifies that no trade exam is required for the C-61 Limited Specialty classification

7069. Requires *license applicants* to submit fingerprints for criminal history checks beginning in 2004

7071.6. Requires licensees and license applicants, regardless of classification, to have on file by January 1, 2004, a contractor's bond in the amount of \$10,000; reserves \$2,500 of that bond exclusively for consumers; and increases the bond requirement to \$12,500 and the reserved amount to \$5,000 on January 1, 2007.

7071.11. specifies that no license may be renewed, reissued, or reinstated while any judgment or admitted claim for loss and expense remains unreimbursed on any bond issued for the license.

7085. Increases the amount of contracts or damages eligible for mandatory arbitration from \$5,000 to \$7,500 and allows complaints to be referred to arbitration, when appropriate, even if the license was not "in good standing" at the time of referral

7091. Clarifies the statute of limitations for disclosure purposes to include complaints referred to the Board's arbitration program

7122. Holds license qualifiers responsible for complying with arbitration awards.

7125. Clarifies that a licensee's failure to maintain workers' compensation insurance coverage whenever such insurance is required by law, will result in a license suspension as specified;

7137. Gives the Board authority to raise fees in regulations

Other industry-related legislation signed by Governor Davis includes:

Civil Code

SB 800—Gives homebuilders an opportunity to repair problems that may arise in newly constructed homes before homeowners sue; establishes a fair and balanced system for resolving construction disputes in California; specifies builder's right to make repairs, defines construction defects, reduces statute of limitations and preserves alternative dispute resolution (arbitration).

Unemployment Insurance Code

1095. Gives the Board access to Employment Development Department (EDD) data base to check license applicant experience.

California Code of Regulations

811. Added fee schedule.

832.5. Amended existing section 832.05, Carpentry, Cabinet and Millwork Contractor so that the C-5 license classification is only for framing and rough carpentry.

832.6. Added new C-6 classification, Cabinet, Millwork and Finish Carpentry.

832.9. Amended existing section 832.09, Dry Wall Contactor, to clarify the scope of work being performed by drywall contactors.

834.54. Amended existing section 834.54, Ceramic and Mosaic Tile Contractors to clarify the scope of work performed.

CSLB'S HISTORY & BACKGROUND

The Contractors State License Board (CSLB) was established in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards. Today, the CSLB is part of the Department of Consumer Affairs.

A fifteen-member appointed board elects the CSLB's executive officer, or registrar of contractors, and directs administrative policy for the agency's operations. This appointed board includes nine public members (eight noncontractors and one local building official), five contractors, and one labor representative. Eleven appointments are made by the Governor and four are made by the Legislature. The board holds regularly scheduled public meetings throughout the state. These meetings provide the public an opportunity to testify on agenda items and other issues.

The CSLB licenses and regulates contractors in 42 license classifications that constitute the construction industry. Currently, there are approximately 278,000 licensed contractors in the state. The registrar oversees approximately 450 employees who work at the headquarters office in Sacramento and field offices throughout the state.

The headquarters staff receive and process applications for new contractors' licenses, additional classifications, changes of license records, and license renewals. They also review and maintain records of disciplinary actions initiated by the field offices, provide verified certificates of licensure used in court or other actions, provide the status of licensure and other support services.

Headquarters directs the activities of field offices and initiates all disciplinary actions resulting from their investigations. Field office staff investigate consumer complaints against contractors. The Statewide Investigative Fraud Team (SWIFT) focuses on unlicensed activity.

CSLB's automated public information line, 1-800-321-CSLB (2752), operates 24 hours a day. Callers can determine whether or not a contractor's license is valid by entering the contractor's license number. The information provided includes the licensee's business name, license status, classifications held, business type, and CSLB legal actions (if any). They may also listen to recorded information on licensing and examination procedures, complaint procedures and how to obtain information on a complaint that has been referred for legal action, the location and hours of CSLB offices, and current topics such as recently passed laws or regulations. Callers can also order forms, applications and other publications.

The same information is available on the CSLB's Web site, www.cslb.ca.gov, where one can look up a contractor by license number or by name and obtain the licensee's business name and address, license status, CSLB legal actions (if any), classifications held, business type, bond and workers' compensation information.

CSLB offers a variety of publications that guide consumers in making informed choices when contracting for home repairs and improvements. Speakers can be provided for groups interested in learning more about the CSLB. Check the Web site for details or write to CSLB Public Affairs, P.O. Box 26000, Sacramento, CA 95826.

MISSION

The Contractors State License Board protects consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.

The Contractors State License Board will accomplish this by:

Ensuring that construction is performed in a safe, competent and professional manner;

Licensing contractors and enforcing licensing laws;

Requiring that any person practicing or offering to practice construction contracting be licensed;

Enforcing the laws, regulations and standards governing construction contracting in a fair and uniform manner;

Providing resolution to disputes that arise from construction activities; and

Educating consumers so that they may make informed choices.

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